

Message Text

UNCLASSIFIED

PAGE 01 JAKART 10346 041313Z

ACTION EA-09

INFO OCT-01 AF-10 ARA-14 EUR-12 NEA-10 ISO-00 FEA-01

ERDA-07 AID-05 CEA-01 CIAE-00 COME-00 DODE-00

EB-08 FPC-01 H-02 INR-07 INT-05 L-03 NSAE-00

NSC-05 OMB-01 PM-05 USIA-15 OES-07 SP-02 SS-15

STR-04 TRSE-00 ACDA-10 PA-02 PRS-01 /163 W

-----082268 050057Z /73

R 040705Z AUG 77

FM AMEMBASSY JAKARTA

TO SECSTATE WAHSDC 2907

INFO AMEMBASSY ABU DHABI

AMEMBASSY ALGIERS

US INT BAGHDAD 0048

AMEMBASSY BRUSSELS

AMEMBASSY CARACAS

AMEMBASSY DOHA

AMEMBASSY DHAHRAN

AMEMBASSY JIDDA

AMCONSUL HONG KONG

AMEMBASSY KUALA LUMPUR

AMEMBASSY KUWAIT

AMEMBASSY LAGOS

AMEMBASSY LIBREVILLE

AMEMBASSY LONDON

AMCONSUL MEDAN

AMEMBASSY PARIS

AMEMBASSY QUITO

AMEMBASSY SINGAPORE

AMCONSUL SURABAYA

AMEMBASSY TEHRAN

AMEMBASSY TOKYO

AMEMBASSY TRIPOLI

AMEMBASSY VIENNA

UNCLAS JAKARTA 10346

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 JAKART 10346 041313Z

USEEC

USOECDD, ALSO FOR EMBASSY

E.O. 11652: N/A

TAGS: ENRG, ID

SUBJ: INDONESIA BECOMES LNG PRODUCER

REF: A) A-75 OF 21 JUNE 77 (NOTAL), B) JAKARTA 6397 (NOTAL)

1. INDONESIA HAS JOINED RANKS OF LNG PRODUCERS. AT CEREMONY HELD AUGUST 1, PRESIDENT SUHARTO OFFICIALLY DEDICATED \$680 MILLION PERTAMINA/ROY M. HUFFINGTON (HUFFCO) FACILITY LOCATED AT BONTANG, EAST KALIMANTAN. THE NEW FACILITY WILL PROCESS GAS FROM NERABY BADAK FIELD WHICH WAS DEVELOPED BY HUFFCO UNDER TERMS OF PRODUCTION-SHARING CONTRACT WITH PERTAMINA. BECHTEL WAS PRIME CONTRACTOR FOR LNG FACILITY WHICH HAS COMBINED PROCESSING CAPACITY FROM TWO TRAINS OF 530,000 MMSCF/DAY. SECOND GAS TRAIN SCHEDULED TO BE OPERATIONAL LATER THIS YEAR.

2. PRESIDENT, IN HIS INAUGURAL SPEECH, NOTED THAT INDONESIA WAS ENTERING NEW ERA IN FIELD OF NATURAL RESOURCES MANAGEMENT. HE CALLED DIVERSIFICATION OF ENERGY RESOURCES "A MUST" AND STATED THAT DEVELOPMENT OF COAL, GEOTHERMAL AND SOLAR ENERGY MUST BE DEVELOPED AS ALTERNATIVES TO OIL. PRESIDENT ALSO EXPRESSED APPRECIATION TO JAPANESE FOR PROVIDING LOANS TO COVER COSTS OF CONSTRUCTION. HE NOTED THAT LOANS OF THIS TYPE DO NOT REPRESENT "A SELLING OUT OF OUR COUNTRY" BUT INSTEAD ARE NECESSARY TO ENABLE GOI TO ACCELERATE ITS DEVELOPMENT DRIVE.
UNCLASSIFIED

UNCLASSIFIED

PAGE 03 JAKART 10346 041313Z

3. OUTPUT FROM BADAK LNG PROJECT IS DEDICATED TO JAPANESE END-USERS UNDER TERMS OF TWENTY YEAR SALES CONTRACT BETWEEN PERTAMINA AND FIVE JAPANESE UTILITY COMPANIES. GAS WILL BE DELIVERED TO JAPAN VIA 125,000 CU. MT. CRYOGENIC LNG VESSELS BUILT BY GENERAL DYNAMICS UNDER TERMS OF TRANSPORTATION AGREEMENT BETWEEN PERTAMINA AND BURMAH TANKERS. ENERGY TRANSPORTATION INC. OF NEW YORK WILL OPERATE AMERICAN-FLAG VESSELS. FIRST VESSEL, "AQUARIUS", WAS PRESENT AT TERMINAL BUT DID NOT LOAD AT TIME OF CEREMONY, FIRST SHIPMENT TO JAPAN SHOULD BE LOADED AND LEAVE BONTANG IN ABOUT FIVE DAYS.

4. COMMENT: THERE IS GOOD CHANCE THAT PROJECT WILL BE EXPANDED TO INCLUDE TWO ADDITIONAL TRAINS AT SOME FUTURE DATE. HUFFCO PEOPLE BELIEVE THAT GAS RESERVES AT BADAK ARE SUFFICIENT AND THAT JAPANESE MARKET WILL REQUIRE MORE LNG ENERGY BY END OF DECADE.
RIVES

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: NATURAL GAS, LPG, EXPORTS, PROGRAMS (PROJECTS)
Control Number: n/a
Copy: SINGLE
Sent Date: 04-Aug-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977JAKART10346
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770280-0501
Format: TEL
From: JAKARTA EEC
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770898/aaaadewx.tel
Line Count: 114
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 4fabfc61-c288-dd11-92da-001cc4696bcc
Office: ACTION EA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 77 JAKARTA 6397
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 13-Oct-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1711532
Secure: OPEN
Status: NATIVE
Subject: INDONESIA BECOMES LNG PRODUCER
TAGS: ENRG, ID, MOBIL, PERTAMINA
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/4fabfc61-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009